

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF COLUMBIA)	
GAS OF KENTUCKY, INC. FOR AN)	
ADJUSTMENT OF RATES; APPROVAL OF)	CASE NO.
DEPRECIATION STUDY; APPROVAL OF)	2021-00183
TARIFF REVISIONS; ISSUANCE OF A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY; AND OTHER RELIEF)	

ORDER

On May 28, 2021, contemporaneous with the application filed in this proceeding, Columbia Gas of Kentucky, Inc.(Columbia Kentucky) filed a motion for deviation, pursuant to 807 KAR 5:001, Section 15, and 807 KAR 5:001, Section 22. Columbia Kentucky is requesting a deviation from the filing requirements contained in 807 KAR 5:001, Section 15(2)(d)(2), which states that an applicant for a Certificate of Public Convenience and Necessity (CPCN) shall file plans and specifications and drawings of the proposed plant, equipment, and facilities with the application for the CPCN.

Columbia Kentucky is seeking a CPCN to construct a number of structures at its existing headquarters in Lexington, Kentucky, and to renovate its existing facility at that location so that it may install and operate a training facility. In support of its motion, Columbia Kentucky states that it has not yet developed detailed engineering plans and specifications and therefore is unable to provide them.¹ In its response to the Attorney General’s First Request for Information, Item 3, Columbia Kentucky states that its

¹ Motion for Deviation, paragraph 5.

affiliates have significant experience designing and building similar training facilities and that it based its cost estimates for the proposed facility on those designs.² Further, Columbia Kentucky states that the development of engineering plans and specifications is quite costly and that Columbia Kentucky felt it would be more prudent to use estimates based on past construction rather than pay for detailed designs when the project has not been approved.³ Finally, Columbia Kentucky states it will have formal engineering plans and specifications produced after the approval to construct the training facility is obtained.⁴

The purpose of 807 KAR 5:001, Section 15, is to provide jurisdictional utilities with a comprehensive listing of the elements the Commission expects an application for a CPCN to contain. This is so that the Commission is provided with adequate information upon which base its decision on whether to grant a CPCN for a proposed project. The Commission may permit deviation from the filing requirements in special cases and for good cause shown.⁵ For the reasons stated below the Commission finds that this is not a special case, that Columbia Kentucky has not shown good cause to permit a deviation from the filing requirements, and that Columbia Kentucky's motion should be denied.

Columbia Kentucky states that developing engineering plans is costly, and it therefore has decided to delay incurring those expenses until the project is approved. Essentially, Columbia Kentucky is asking the Commission to approve a construction

² Columbia Kentucky's Response to Attorney General's First Request, Item 3a (filed July 21, 2021).

³ *Id.*

⁴ *Id.*, Item 3b.

⁵ 807 KAR 5:001, Section 22.

project at Columbia Kentucky's headquarters without providing the Commission with the engineering plans, specifications, and drawings for that project, and using estimated costs based on similar construction projects in other locations, rather than the costs to construct the actual project for which Columbia Kentucky seeks a CPCN. The Commission finds this unacceptable.

Columbia Kentucky has not alleged the construction of this project is needed to address any urgent need, nor has Columbia Kentucky presented any facts to support that this CPCN application represents a "special case" in which a deviation from the usual requirements is warranted.

The Commission expects Columbia Kentucky and any other jurisdictional utility seeking a CPCN to present to the Commission the engineering plans and specifications for those projects and to base its costs of construction and costs of operation estimates on data pertaining to the project it intends to construct, not on projects constructed in other locations by other entities. The Commission finds that avoiding or delaying the cost of developing engineering plans and specifications is not good cause to permit a deviation from the filing requirements.

IT IS THEREFORE ORDERED that Columbia Kentucky's motion for deviation from the filing requirements found in 807 KAR 5:001, Section 15(2)(d)(2), is denied.

By the Commission

ENTERED
AUG 24 2021 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2021-00183

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